

Washington State Transportation Commission

2007 Legislative Session Wrap-up

Policy Bills

As a follow-up to the legislative update you received in April, here the three bills which were enacted that touch or impact the Commission, along with a short summary of their key provisions:

SSB 5412 – Statutory Benchmarks and Performance Monitoring:

- Streamlines existing policy goals, and establishes five overarching policy goals for the planning, operation, performance of, and investment in, the state's transportation system.
- Extends the WTP update cycle to occur every 4 years instead of the current 2 year requirement.
- The office of financial management must submit initial objectives and performance measures to the legislature for its review and must provide copies of the same to the commission during the 2008 legislative session, and must continue to do so during each session in an even-numbered year.
- The Office of Financial Management establishes objectives and performance measures for all agencies with transportation-related responsibilities, for the purpose of ensuring that transportation system performance attains the newly-established policy goals.
- Requires that the Office of Financial Management submit a baseline performance report on attainment of the newly-established policy goals by December 1, 2007, and submit its first annual attainment report to the Legislature and the Governor by October 1, 2008.
- Provisions regarding the establishment of the state's proposed ten-year investment program are revised, and are placed under the Office of Financial Management.
- Requires the Department of Transportation to perform certain duties to support attainment of the newly-established policy goals.

ESHB 2358 – Ferry Fare Setting and Operational Practices:

- Makes various changes to the statutes regarding Washington State Ferries, including level of service standards, fare setting, and the department's capital program.
- Commission conducts market survey in cooperation with WSDOT and JTC.
- Commission approves operational and pricing strategies.
- Commission approves WSF capital plan.
- Sets new fare adjustment schedule to occur by September 1 as opposed to the current May schedule. This new schedule will begin on September 1, 2008 at which time we can adopt fare and pricing policies for the ensuing year, noting that there is a fare freeze in effect until September 1, 2009 (*yes, this is in conflict but regardless, the intent is to not have a fare increase until 09*)

SB 5264 – Naming Transportation Facilities:

- Authorizes Commission to name transportation facilities under the same process we currently follow under our internal policy.

2007 - 2009 Transportation Budget

Below is a summary of the key provisions in the budget impacting or of interest to the Commission.

Commission Appropriation - \$2,388,000

- Commissioner compensation request is funded
- \$350,000 is provided to do the ferry market survey
- \$100,000 is provided for a study to identify and evaluate long-term financing alternatives for the ferry system. This ferry finance study is not to be done until the first survey is done meaning we'll do this in FY 2009
- \$275,000 is provided as a follow-up to our tolling study, to do more detailed tolling modeling work on specific routes (routes not specified) and "structures." We are to "contract" with Jeff Doyle's office on this, to develop tolling scenarios
- \$25,000 is provided to put on a regional transportation summit in Spokane to discuss options regarding regional governance and funding for various transportation needs in the area.

Tacoma Narrows Bridge

- \$1.3 million is provided as a subsidy for the TNB toll buy-down
- \$5 million is provided for a TNB "contingency" fund.
- They did not specify a toll amount.
- Requires the Department to solicit private donations for activities related to the opening ceremonies of the TNB.

Freight Rail and Stampede Pass

- They provided \$25 million for Stampede Pass, contingent on the study discussed below.
- The Joint Transportation Committee is directed to study funding mechanisms to fund freight infrastructure improvements. All project appropriations funded from the Freight Congestion Relief Account are dependent on the enactment of legislation from the study, including the funding for Stampede Pass.
- It is likely that a Commissioner will be invited to participate on their work group that will be created to assist in performing this study.
- Two items in the budget implement recommendations from the rail study:
 - In Sec. 207 (2), the freight mobility strategic investment board and WSDOT are directed to collaborate on a report to the office of financial management and the transportation committees by September 1, 2008, listing proposed freight highway and rail projects.
 - In Sec. 309(7), the department is directed to develop and implement the benefit/impact evaluation methodology and convene a work group to collaborate in developing the benefit/impact analysis.
- WSDOT must perform benefit/cost analysis on six specific proposed rail capital projects and allocate the funds assigned to other rail projects if "the relative cost ... is not substantially less than the public benefits"
- WSDOT received \$320,000 to develop a freight database.
- WSDOT is to evaluate development of a freight corridor bypass from Everett to Gold Bar on US 2 and consider the use of toll lanes. A report is due to the Legislature due by December 1, 2007.

- WSDOT is to publish a final long-range plan for Amtrak Cascades by September 30, 2007. The plan must identify specific steps to incrementally add service and complete a midrange Amtrak Cascades plan by December 31, 2008. They must begin planning for a third Seattle-Vancouver trip by 2010.

Wash. State Ferries

- Capital spending is essentially frozen
- It is believed that they have filled the funding gap that will be created by a lack of fare revenue that would have come from the previously assumed 2.5% annual fare increase in May 2008 and 2009, but further analysis is being done to fully determine the true outcome of their funding decisions.
- Our market survey is to be done, our finance study done, and DOT's operational and pricing strategies in place and adopted by the Commission in rule before any fare adjustments can occur – 2009 is the soonest it can happen.
- The JTC will be setting up a work group who will oversee the implementation of 2358 (ferry bill) and review other matters related to WSF (not specified). The co-chairs of the JTC will establish this group which will have on it legislators, a governor appointee, and others to be determined. It appears fairly certain that a Commissioner will be asked to participate on this work group
- The group will have to report back to the transportation committees by Dec. 15, 2007.

Transportation Innovative Partnerships Program - TIPP

- Extends until June 30, 2009 the prohibition on the Transportation Commission accepting unsolicited proposals for public-private partnerships.
- \$300,000 for a consultant to develop a plan for co development and public-private partnerships at ferry terminals
- WSDOT to analyze, and possibly solicit RFPs for alternative fuel distribution along state rights-of-way.

Viaduct, SR 520, and Highway Projects

- DOT is directed to begin construction work later this year on the viaduct, to stabilize some of the column footings.
- In 2008, construction work will begin on safety upgrades to the battery street tunnel, earthquake strengthening at the north end of the project, and utility line relocations.
- In 2009, sections of the viaduct will start to be removed.
- All this will cost approximately \$915 million over the next 3 biennia.
- They provide additional funds for 520 but the bottom line is that many different revenue sources will have to come to fruition to pull this project off, including tolling, regional funding, and federal funding.
- They provided the necessary funding to keep all projects funded in the 2003 and 2005 packages moving forward.

Concurrency and transportation/land use connections.

- Cities and counties planning under the Growth Management Act are required to adopt access permitting standards on state highways that meet or exceed WSDOT standards by December 1, 2008.

Graving Dock

- \$5,513,000 is provided to settle claims and potential claims relating to the graving dock facilities.
- \$223,000 is provided for at Department of Archeology and Historic preservation to hire staff experienced with complex construction projects to work on state transportation activities.

Miscellaneous

- \$250,000 is provided to study an Inland Pacific Hub.
- OFM shall track “mega-projects” costing \$1 billion or more and report on their financial status and schedule to the Transportation Committees at least once a year.
- The legislature states its intent to charge tolls and directs WSDOT to apply a managed lane concept in the design and implementation work for SR 520 replacement and I-405 widening.